



**United States Department of Justice
United States Attorney's Office
District of Minnesota**

Rachel K. Paulose, United States Attorney

David Anderson, Public Affairs Specialist
(612) 664-5684; cell: (612) 730-2251

News Release

FOR IMMEDIATE RELEASE

Friday, Dec. 21, 2007

Judge sentences St. Paul man to 41 months in prison for money laundering, concealing assets from bankruptcy court

A 53-year old St. Paul man was sentenced yesterday in Minneapolis to 41 months in prison for money laundering and concealing assets from the bankruptcy court in connection with a bankruptcy case he filed with his wife in 2002. Chief United States District Court Judge James M. Rosenbaum called Cyril J. Bauer an “unrepentant thief,” and also directed him to pay a \$250,000 fine and serve three years of supervised release.

A grand jury charged both Bauer and his former wife, Rae Orene Bauer, with committing bankruptcy fraud. The indictment states that the Bauers jointly filed a Chapter 7 bankruptcy on Feb. 20, 2002 but failed in their bankruptcy papers to disclose that Bauer had more than \$200,000 in an Individual Retirement Account that was opened on July 13, 2001. The Bauers also swore in their schedules that the market value of their St. Paul residence was \$80,000, even though they both knew the home’s value was at least \$150,000.

In April, a federal jury convicted both Bauers of each count in the indictment alleging bankruptcy fraud and money laundering after a two-week trial before Judge Rosenbaum. Both defendants have been in custody since the verdict was returned.

This case was the result of an investigation by the Office of the United States Trustee and the Federal Bureau of Investigation, and was prosecuted by Assistant U.S. Attorney David J. MacLaughlin.